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16 November 1949

MEMORANDUM FOR: CHIEF, LIAISON DIVISION, OCD

FROM: Acting Chief, Non-IAC, Navy Desk, LD/OCD

SUBJECT: CIA Contacts in Office of International Trade,
Department of Commerce

1. On 13 September 1949 [] of OSI discussed with this Desk the establishment of a continuing contact relationship for Mr. [] with Mr. Harrison Lillybridge and Mr. Frederick W. Olmstead, Chairman and Deputy Chairman, respectively, of the Board of Appeals for Export Licensing, Office of International Trade. It was explained that this Board considered matters of interest to OSI as well as matters of concern to the rest of the Agency. It was pointed out that Mr. [] is a personal friend of long standing of Mr. Olmstead and that, aside from the purely OSI interest, by virtue of such friendship, Mr. [] could obtain general information for the Agency believed not otherwise obtainable, which he would pass to OCD for appropriate dissemination. It was understood that Mr. [] subsequently was to introduce the undersigned to [] then would be relieved of obtaining general information.

2. This Division, by memo dated 13 September 1949, requested I&S to advise as to the security aspects of the foregoing. Mr. [] has recently related that I&S has no security objections to the above and this, this date, stated that written response to the memo concerned has been dispatched. It has not yet been received at this Desk. It was agreed by Mr. [] that he was not to contact the gentlemen concerned until I&S had responded.

3. In the interim Mr. [] of Economic Branch, ORI, called the undersigned inquiring as to Mr. []'s status in OIT, indicating that his activities might be in conflict with those of Mr. [] as delineated in the Director's letter of 30 August 1949 to the Secretary of Commerce. (This Desk was not aware of the existence of such a letter prior to the above.). Mr. [] position per above was explained to Mr. [] who stated that any CIA representations in the field of export licensing was reserved to Mr. [] Mr. [] has since stated that he has not been to OIT.

4. In seeking to reconcile the above I was informed by Mr. [] that Mr. [] had prepared a paper for presentation to OIT (ostensibly as a CIA paper) which was at variance with Mr. [] position. Mr. [] does not know whether the paper actually was ever presented to OIT. I asked Mr. [] to provide me a memo setting forth his thoughts as to the above conflict. He has informed me (amiably) that he does not feel a memo is necessary but that if we insist on one it must come through channels.

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Mr. [] advised me, this date, that ORE (Ec) has proposed to the Director an all-CIA Committee in which representatives of all offices can present their views in the export licensing field and thus a single front [] presented to OIT re this field.

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5. The above is submitted for your information.

S/



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